



BAINBRIDGE ISLAND LAND TRUST

CONSERVATION EASEMENTS

WHAT IS A CONSERVATION EASEMENT? A conservation easement is a voluntary, legal agreement to permanently restrict certain uses of the land. The easement is recorded in the real property records and therefore “runs with the title of the land” to bind all present and future owners of the land to the specified restrictions. Conservation easements can be tailored to protect specific conservation values of all or part of the property. For example, an easement can keep the land in a natural state or, if the landowner prefers, allow various activities such as farming, selective timber harvesting, limited building, etc. To be valid as a conservation easement, and to satisfy the requirements of the grantee, there must be specific conservation value protection and public benefit (not public access) inherent in the agreement. Thus, easements are tailored to the conservation values of the property, the desires of the landowner, and the requirements of the grantee.

EASEMENT GRANTEE: A qualified organization, such as the Bainbridge Island Land Trust, must be named as the grantee or holder of the easement. It is the grantee’s responsibility to ensure that present and subsequent owners of the property abide by the terms of the easement. The grantee monitors the property and enforces the easement restrictions in court if necessary. The Land Trust inspects all properties annually or more frequently as needed.

STEWARDSHIP FUND: The Land Trust has established a Stewardship Fund to provide for current and future costs of monitoring easement properties, and if necessary, enforcing easements. As more easements are accepted, this endowment fund must be increased. To accommodate this, the Land Trust asks each donor to make a contribution of at least \$1500 to the Stewardship Fund. A fee of \$500 is requested at the time of agreement between the Land Trust and the owner to proceed with the easement and may be used to pay for transactions related to writing and recording the easements such as title searches and recording fees. If necessary a payment plan can be drawn up for the Grantor. In some cases, where stewardship costs are anticipated to be high, a larger donation may be requested. Where the donor is unable to make the requested donation, the Land Trust may be willing to accept the easement because of the conservation values being protected. The Land Trust is 501(c)(3) organization and the stewardship donation may be eligible as a charitable contribution. (We suggest you consult your tax advisor.)

TAX BENEFITS: In addition to the satisfaction gained by protecting valuable natural resources, there may be tax benefits:

1. A conservation easement affects the market value of the land to the extent that it limits development and potential use. A reduction in the market value may reduce the land’s assessed value for property tax purposes and may reduce the estate taxes due upon the owner’s death. This determination is made by the Kitsap County Assessor’s Office and cannot be guaranteed by the Land Trust.

2. Property taxes also might be reduced if the property is accepted into the Kitsap County open space program. The application needs to be filed with the County by December 31 of the year it was written to affect tax payable two years later. Tax reductions on property in the open space program range from fifty to ninety percent. A conservation easement can increase the amount of property tax reduction. Information about the open space program is available from the Kitsap County Assessor's office.
3. The landowner may also be able to claim any loss in value due to the easement as a charitable contribution for federal income tax purposes.

The Land Trust does not give tax advice. We encourage you to consult your tax advisor.

POTENTIAL COSTS:

1. Preparation of a site plan and legal description. A land survey is sometimes required.
2. Before and after appraisals to determine the value of the donated easement. (Not required by the Land Trust but may be required for tax purposes.)
3. A donation to the Land Trust Stewardship Fund.
4. Application fees for county open space program. (optional)
5. Professional fees for tax, legal and other advice.

ADDITIONAL INFORMATION:

The Land Trust can provide additional information about conservation easements to the landowner or the landowner's advisors. Please contact us at (206) 842-1216 or e-mail at landtrust@bainbridgeisland.net. Visit our website at www.bi-landtrust.org

(Information updated 5/11/04)

**BAINBRIDGE ISLAND LAND TRUST
DONATED CONSERVATION EASEMENT PROCESS**

